

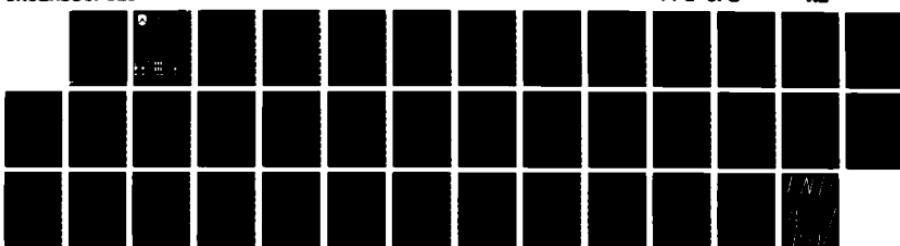
RD-R178 366

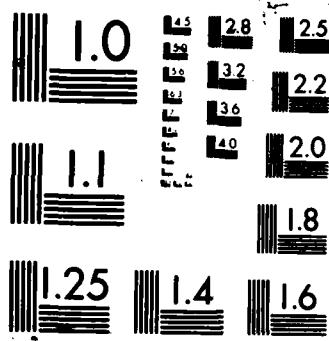
THE IMPACT OF CONGRESSIONAL PROPOSALS TO REORGANIZE THE 1/1
DEPARTMENT OF DEF. (U) AIR WAR COLL MAXWELL AFB AL
J R GRAHAM MAY 86 RU-AWC-86-888

UNCLASSIFIED

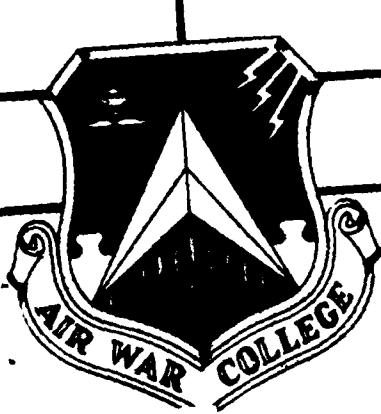
F/G 5/1

ML





MICROCOPY RESOLUTION TEST CHART



AIR WAR COLLEGE

RESEARCH REPORT

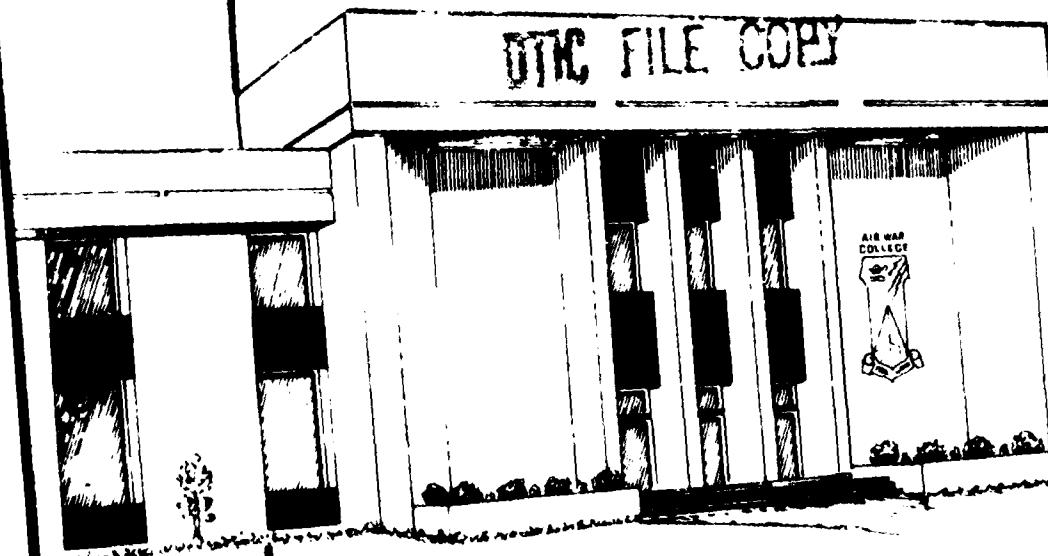
No. AU-AWC-86-080

AD-A178 366

THE IMPACT OF CONGRESSIONAL PROPOSALS^{AL} TO REORGANIZE THE
DEPARTMENT OF DEFENSE ON THE UNIFIED COMMAND ROLE IN THE
RESOURCE ALLOCATION PROCESS

By LT COL JAMES R. GRAHAM

DTIC
SELECTED
MAR 30 1987
S D



AIR UNIVERSITY
UNITED STATES AIR FORCE
MAXWELL AIR FORCE BASE, ALABAMA

APPROVED FOR PUBLIC
RELEASE, DISTRIBUTION
UNLIMITED

AIR WAR COLLEGE
AIR UNIVERSITY

THE IMPACT OF CONGRESSIONAL PROPOSALS TO REORGANIZE THE
DEPARTMENT OF DEFENSE ON THE UNIFIED COMMAND ROLE IN THE
RESOURCE ALLOCATION PROCESS

by

JAMES R. GRAHAM
LIEUTENANT COLONEL, USAF

A RESEARCH REPORT SUBMITTED TO THE FACULTY
IN
FULFILLMENT OF THE RESEARCH
REQUIREMENT

Research Advisor: Colonel Richard Clark

MAXWELL AIR FORCE BASE, ALABAMA

MAY 1986

DISCLAIMER-ABSTAINER

This research report represents the views of the author and does not necessarily reflect the official opinion of the Air War College or the Department of the Air Force.

This document is the property of the United States government and is not to be reproduced in whole or in part without permission of the commandant, Air War College, Maxwell Air Force Base, Alabama.

Accession For	
NTIS GRA&P	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Dist	Available and/or Special
A-1	



AIR WAR COLLEGE RESEARCH REPORT ABSTRACT

TITLE: The Impact of Congressional Proposals to Reorganize the Department of Defense on the Unified Command Role in the Resource Allocation Process

AUTHOR: James R. Graham, Lieutenant Colonel, USAF

An introductory review of the current unified command role in the planning, programming and budgeting system (PPBS) followed by a discussion of resource allocation problem areas identified in the Senate Armed Services Committee Staff Report, DoD Organization: The Need for Change, sets up an assessment of potential impact if the Senate Staff report recommendations are implemented. The analysis includes a comparison of current procedures and methodology with proposed changes. Conclusions on the pros and cons of these proposals are summarized, and an overall assessment of the unified commander's role in the PPBS is offered.

BIOGRAPHICAL SKETCH

Lieutenant Colonel James R. Graham has been actively involved in the Air Force planning, programming and budgeting system since 1978 when he joined the Air Force Communications Command Staff at Offutt Air Force Base, Nebraska. Most recently he was charged with developing the Strategic Air Command Program Objective Memorandum as the Chief of the Strategic Programs Development Division, SAC. His service includes duty in Electronic Security Command Headquarters as well as at their unit in Berlin, Germany. He has also served as a NATO Communications maintenance squadron commander in Izmir, Turkey. He holds masters degrees in Guidance and Counseling from Wayne State University and Telecommunications Management from the University of Southern Mississippi. He is both a graduate and former faculty member of the Squadron Officer School, has completed both the Air Command and Staff College and National Security Management seminar programs, and is a graduate of the Air War College, class of 1986.

TABLE OF CONTENTS

CHAPTER	PAGE
DISCLAIMER-ABSTAINER.	ii
ABSTRACT.	iii
BIOGRAPHICAL SKETCH	iv
I INTRODUCTION.	1
II THE ROLE OF THE UNIFIED COMMAND IN THE PLANNING, PROGRAMMING AND BUDGETING SYSTEM.	4
III A REVIEW OF DOD PPBS PROBLEMS AS IDENTIFIED IN THE STAFF REPORT TO THE SENATE COMMITTEE ON ARMED SERVICES <u>DEFENSE ORGANIZATION: THE NEED FOR CHANGE.</u>	9
Ineffective Strategic Planning.	10
Insufficient Relationship Between Strategic Planning and Fiscal Constraints	11
Absence of Realistic Fiscal Guidance.	12
Failure of the PPBS to Emphasize the Output Side of the Defense Program.	13
Inability of the JCS to Make Meaningful Programmatic Input	14
Insufficient Attention in the PPBS to Execution Oversight and Control	14
Length, Complexity, and Instability of the PPBS Cycle.	15
IV CONCLUSIONS AND RECOMMENDATIONS FOR THE PPBS AS IDENTIFIED IN THE SENATE STAFF REPORT <u>DEFENSE ORGANIZATION: THE NEED FOR CHANGE.</u>	17
V IMPACT OF RECOMMENDATIONS TO CHANGE THE PPBS ON THE UNIFIED COMMANDER	23
VI CONCLUSIONS	26
APPENDICES	
1. Calendar of Major PPBS Events	28
2. FY 88-92 Defense Guidance Development Timetable	29
LIST OF REFERENCES.	30
GLOSSARY.	32

CHAPTER 1

INTRODUCTION

In the past decade, over 25 national level studies have been undertaken which have suggested major problems with the Department of Defense (DoD) organization and structure. Most of these studies have reported problems with the DoD resource allocation process and have proposed changes to the planning, programming and budgeting system (PPBS) or recommended reorganization of portions of the DoD in order to make the PPBS a more effective process. Principal among these studies were Richard C. Steadman's, National Military Command Structure which questioned the effectiveness of PPBS in 1978; Donald B. Rice's Defense Resource Management Study in 1979, which created the Defense Resources Board (DRB); Deputy Secretary of Defense (DEPSECDEF) Frank C. Carlucci's memorandum of March 1981 which mandated the most sweeping changes to the PPBS since its inception by Secretary of Defense (SECDEF) Robert McNamara in 1961; and most recently in 1985, the Georgetown University Center for Strategic International Studies (CSIS) report Toward a More Effective Defense, and the Staff Report to the Committee on Armed Services of the United States Senate titled Defense Organization: The Need for Change. These last two reports have spawned a flurry of activity in both the House and Senate in the

form of draft bills for Congressional resolution of the problems which have been identified in the Committee Report. In response to the significant attention which has resulted on the subject of reorganization and the ultimate impact on the PPBS, the Office of the Secretary of Defense (OSD) and the Office of the Joint Chiefs of Staff (OJCS) have been working diligently to modify their methodology in order to best implement what appears most certainly to be changes in the way the resource allocation process works.

At the centerpiece of many of the proposed changes are the unified commands. Historically the unified commander in chief (CINC) has had little, if any, voice in the process which acquires, modernizes, and makes ready those forces for which he is responsible in the time of war. Although the services have, to varying degrees, encouraged inputs to their Program Objective Memorandums (POMs) from the using Major Commands (MAJCOMs), the unified CINCs have not participated in preparation of the DoD budget through the PPBS except in a most cursory manner.

Although what form any legislation in the subject of DoD reorganization will ultimately take is unknown, one can be sure that whatever form that legislation takes, it will contain significant changes to the way the system

works today and may directly impact the way in which the unified commands operate within that system.

This report will assess what the impact of Congressional proposals to reorganize the DoD will have on the unified commands in the PPBS process. In order to best analyze this impact, a review of the current unified command role in the resource allocation process will first be provided. Next, using the Senate Armed Services Committee Staff Report as the primary source of data, those problem areas which are related to the PPBS will be discussed. A comparison of the conclusions and proposed recommendations contained in the report will follow, and finally, those changes which would be required by the unified command staffs in order to implement the recommendations will be analyzed. Some conclusions based on a comparison of today's methodology and the proposed changes will be offered at the end of the report. In the conclusion, an assessment will be made regarding the feasibility of the proposals, the problems which will occur in implementing the proposals, and some predictions as to the benefits which will take place if these proposals are enforced.

CHAPTER II

THE ROLE OF THE UNIFIED COMMAND IN THE PLANNING, PROGRAMMING AND BUDGETING SYSTEM

Current policy and procedures for the PPBS are contained in DoD Directive 7045.14. The first page of that directive states "The ultimate objective of the PPBS shall be to provide the operational commander-in-chief the best mix of forces, equipment and support attainable within fiscal constraints" (1:1). Although this directive aims to provide the unified command CINCs with the best forces available, the role the CINC plays in the resource allocation process, which ultimately procures his forces, is minimal. This chapter describes the interaction of the unified commander within the PPBS and discusses the role of the unified command staff in preparing inputs to various stages of planning, programming, and budgeting. A general diagram depicting the primary milestones and interaction in the PPBS can be found at appendix 1.

As can be seen from appendix 1, the CINC's role is minimal and occurs only during Defense Guidance (DG) development and during the DoD program review cycle in preparation for publishing the SECDEF's Program Decision Memorandum (PDM). Each of these responsibilities will be discussed in detail in the succeeding paragraphs.

The unified commander's initial input to the PPBS cycle is through his participation in DG development.

DEPSECDEF William H. Taft IV released DRB Memorandum 85-5 on 5 April 1985 to initiate the Fiscal Year (FY) 1988-92 planning phase of the PPBS. Two significant procedural changes were announced in this memorandum. First the Defense Guidance would be published earlier, and second the DG would transition to a two-year cycle (2:1). The Joint Chiefs of Staff (JCS) J-5 followed with an instruction letter which announced the timetable for development of the FY 1988-92 DG. This timetable is shown in appendix 2. It should be noted that the CINCs will now meet twice with the DRB for DG preparation, once in September and again in November. The September meeting is not shown in appendix 1. Additionally, the proposed publication date of 31 December 85 is approximately three months earlier than the usual publication date for the DG. The CINC's primary goal in DG preparation interaction is to insure "...his priorities and requirements are incorporated into the SECDEF's guidance for DoD programming" (4:21).

The second major area of unified commander involvement in the DoD PPBS system is during the program review portion of the PPBS cycle. The unified commander does not submit his own POM, and is totally dependent upon the services to include his requirements in their POMs. The CINC's primary vehicle for input to the service POM is

through those service components which are included in his unified command. In November, 1984 Secretary Taft issued a memorandum which directed sweeping changes to the unified commander's role in the PPBS. Titled "Enhancement of the CINC's Role in the PPBS," this memorandum directed four major actions including:

- a. Preparation of high priority needs, prioritized across service and functional lines and with consideration of reasonable fiscal constraints.
- b. Direct communications between commanders and the Military Departments (MILDEPs) to resolve problems and concerns during the development of POMs.
- c. Preparation of a separate annex for each POM which identifies the requirement of operational commanders as submitted, whether they were met in the POM and with supporting rationale where such needs were not met.
- d. Permission for the commanders to independently raise issues during the program review process to the DRB (5:1-3).

Thus for the first time, during preparation of the FY 87-91 service POMs, the CINCs were asked to submit a priority list of war-fighting requirements. These CINC priorities were then closely monitored in the preparation of each service POM and were reported upon as the services presented their POMs to the OSD. This action provided insight and visibility to the CINCs' requirements which had never before been present in program development. The results were evident in the large number of CINC programs which were included in the FY87-91 MILDEP POM submissions to OSD.

During recent years, there has been increasing

interaction between the services and the unified command staffs during development of the POM. The Air Staff, for example, invites both CENTCOM and READINESS Command to sit in during Air Force Board and Council meetings. The Air Force, as the assigned executive agent service for operating money for these two commands also allows them to make initial presentations to the Air Staff Board Structure just like the Air Force MAJCOMs. The Army and Navy have not formalized the process to the degree that the Air Force has, however both are willing to accept unified command inputs to their POM development process through both written and verbal communications (4:22). Prior to the initiation of CINC priority lists in conjunction with preparing the FY 87-91 POM, the unified commanders had no influence in the development of service programs. Consequently, much criticism has been levied against the lack of war-fighting capability and predominance of service parochial resource requests in the individual service POMs.

Although the unified commander has little input to the service POM, his involvement with the OSD program review becomes quite detailed. First, shortly after the services submit their POMs, the JCS J-5 provides copies to the unified commanders. Each CINC provides his assessment of the service program in terms of a risk assessment.

between guidance as layed out in the DG and the actual programmed capability which is contained in the service POMs. This assessment is used to develop the Joint Program Assessment Memorandum (JPAM).

"The JCS provides a risk assessment of the service POMs in the JPAM for SECDEF use during POM review. It is based on POM force recommendations and includes the views of the JCS on the balance and capabilities of the overall POM force and support levels to execute the approved national military strategy. The JCS recommends actions to improve overall defense capabilities within alternative POM funding levels directed by the SECDEF" (6:33).

The next step of unified commander involvement in program review is through participation in the OSD issue cycle. Each CINC is provided copies of the OSD Issue Books and is invited to review and comment upon them. His written comments are provided via message. In July each CINC personally appears before the DRB to express his views on the contents of the service POMs, the resulting issues, and proposed program changes to be included in the PDM.

Finally, once the President's Budget has been submitted to Congress, the unified commanders are frequently called before congressional committees to testify within his area of responsibility. This testimony is the CINC's final opportunity to influence a program before the final budget is enacted.

CHAPTER III

A REVIEW OF DOD PPBS PROBLEMS AS IDENTIFIED IN THE STAFF REPORT TO THE SENATE COMMITTEE ON ARMED SERVICES DEFENSE ORGANIZATION: THE NEED FOR CHANGE*

Chapter seven of the Staff Report to the Committee on Armed Services of the United States Senate, titled Defense Reorganization: The Need for Change, is devoted to the planning, programming and budgeting system. This chapter, as well as chapter eight on the acquisition process, goes beyond the basic rationale for the study which was to look at organizational structure and effectiveness of the DoD. The study points out, however, that these resource allocation decision making procedures can have significant impact on the overall organization's performance, and therefore may provide insight into organizational strengths and weaknesses in their role as integrating devices (7:483).

In order to assess PPBS procedural changes in the unified commands, one must first understand the nature of the criticisms levied upon the PPBS by the author of that report. These criticisms fall into seven major categories. In this chapter, each of those categories will be reviewed with specific emphasis placed on the unified commander's role, where appropriate.

*The content of this chapter is derived from data presented in Chapter 7 of the Senate Armed Services Committee Report, Defense Organization: The Need for Change.

Ineffective Strategic Planning

The first problem area is ineffective strategic planning. This term specifically is defined as "selection of objectives, identification of constraints (including fiscal), formulation of a strategy to secure these objectives and decisions on supporting policies and broad resource allocations" (7:494). Eight examples were included in the report which supported the concept of ineffective strategic planning.

The first of these is a dominance of programming and budgeting which is highlighted by adjectives such as "too long" and "resource manager dominated." The conclusion is drawn that programming and budgeting dictates strategic planning rather than the reverse which is the design of PPBS. The report further accuses the DoD of having a lack of management discipline to give strategic planning the attention which it deserves. Again the emphasis on resource questions is blamed as the cause for this problem. Next the JCS system is said to be unable to provide useful strategic planning advice for military strategy. Specifically, the Joint Long Range Strategic Appraisal and the Joint Strategic Planning Document (JSPD), the principle JCS documents which begin the transition from strategic planning to programming, have been called "irrelevant to the process" by the Steadman Report in 1981 (8:21). The next criticism is the

lack of concensus on strategy among the services and the JCS. Strong service parochialism, individual service global strategies and strategies without mission priorities result in large strategy-force mismatches. The Senate report lists another contributor to ineffective strategic planning as inadequate machinery to do the job. It states the DRB is too big and unwieldy and calls the process "piecemeal, irregular and highly informal" (7:497). The final three examples are labled as a weak strategic planning tradition, based on a historical lack of having to rely on strategic planning, inadequate policy and planning guidance in the DG and insufficient guidance from the National Security Council.

Insufficient Relationship Between Strategic Planning and Fiscal Constraints

The second major problem area is an insufficient relationship between strategic planning and fiscal constraints. The report lists symptoms of this problem as limited utility of the strategic planning documents in the programming and budgeting phases of the PPBS; unattainable defense guidance; and a growing gap between the planning force, the POM force and the Congressional budget. The primary cause of these symptoms is listed as fiscally unconstrained planning. The authors point out that the JSPI is not resource constrained and therefore a lack of

fiscal thinking carries over into the DG, the service POMs, the JPAM and the final program and budget decisions. They even surmise that the short range oriented Joint Strategic Capabilities Plan may be based on the fiscally unconstrained JSPD and therefore provides an unrealistic assessment of our current capability (7:499). Finally the report accuses the DoD of not having a strategy which tailors goals to resources and results in a failure to meet objectives within constraints.

Absence of Realistic Fiscal Guidance

The third major problem area is an absence of realistic fiscal guidance. Historically, the fiscal guidance portion of the DG is developed several months after the policy and strategy portions have been completed. This fiscal guidance always exceeds the President's Budget which usually exceeds that which is approved by Congress. The fiscal guidance for the four nonbudget years of the Five Year Defense Program is even less realistic and results in overprogrammed resource requests and whole programs which would never appear if this "bowwave" effect were not built into the fiscal guidance. The root causes of this optimistic fiscal guidance policy have been listed as a difference in political judgments; economic uncertainties such as the health of the economy, mood of the people and inflation

indicies; and the bureaucratic tendency to build in growth.

Failure of the PPBS to Emphasize the Output Side of the Defense Program

The fourth problem area is the failure of the PPBS to emphasize the output side of the defense program. Heading the rationale for this problem is the fact that the DRB is dominated by personnel with a strong input orientation. Of the 20 members of the DRB, only 5 are considered to have any orientation toward output considerations. The others have a resource (input) orientation. Inherent in this problem is the fact that there is an absence of OSD organizations which have a multifunctional mission, or output orientation. Additional rationale centers on the role of the JCS and the unified CINCs in the resource allocation process. Specifically addressed are the limited influence of the CINCs in the process, the limited independent authority of the Chairman, Joint Chiefs of Staff (CJCS) and the inability of the JCS system to make meaningful programmatic inputs to the PPBS. The unified commanders are dependent upon the services for resources. Although unified commanders now testify before the DRB three times a year, they still do not have the continuing influence over the resource allocation process which is necessary to

insure their critical requirements are programmed. Secretary Taft's changes, which were discussed in Chapter II, were used for the first time in preparing the FY 87 budget and should help alleviate this criticism.

Inability of the JCS to Make Meaningful Programmatic Input

The fifth area of concern is the inability of the JCS system to make meaningful programmatic input. The JPAM is the theoretical vehicle for this submission, however institutional limitations and a very short time period for input makes the JPAM a somewhat ineffective document. Recently, the JPAM has become more of a restatement of requirements for cross service programs which have previously been identified in the DG than a genuine assessment of risk contained in the service POMs.

Insufficient Attention in the PPBS to Execution Oversight and Control

The sixth problem area is that insufficient attention in the PPBS is payed to execution oversight and control. Because the primary focus of the PPBS is in the future and it starts fresh every year, there is little attention or evaluation of past year's program decisions. The lack of an adequate accounting and management information system inhibits an evaluation of program effectiveness and performance. This is also due in part

to a focus on commitment to new acquisition programs and research and development rather than delivery and effective use of resources. Finally, the fact that only the service secretaries must actually execute the resultant budget, and the remaining members of the DRB have, for the most part, a future orientation causes the recommendations and decisions of this body to frequently be unrealistic and not meet the needs of the war-fighting forces.

Length, Complexity, and Instability of the PPBS Cycle

The seventh and last major area of criticism is the length, complexity and instability of the PPBS. The 15 month cycle is considered to be too long, and the fact that the planning, programming and budgeting phases are simultaneously addressing three different budgets is a complexity which causes confusion. These factors combined with instability caused by external influences such as unrealistic fiscal guidance and congressional micromanagement, conflicting policy and guidance, and the unstable congressional budget process all cause the PPBS to be looked at with question.

In summary seven major PPBS problem areas have been identified in the senate staff report on DoD organization. These problems focus on strategic planning, fiscal constraints, the role of the JCS and simple

realistic procedures. Of potential importance to the unified commanders are strategic planning issues, desires for output orientation and the lack of CINC influence in the resource allocation process. Some efforts are already underway to improve the process and depending upon what is ultimately legislated, other changes may have to be made. The next two chapters will explore the recommended problem solutions and necessary changes to implement these recommendations.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS FOR THE PPBS AS IDENTIFIED IN THE SENATE STAFF REPORT DEFENSE ORGANIZATION: THE NEED FOR CHANGE*

After reviewing many option proposals to satisfy the problem areas identified in the previous chapter, 10 conclusions and 14 recommendations ultimately were presented in the staff report. In this chapter, a review of these conclusions and recommendations will be presented. Where appropriate, the report's rationale for making a recommendation will also be provided.

The first three conclusions stand alone and serve as building blocks for the fourth conclusion which carries with it seven of the recommendations. They are as follows:

1. The PPB system is capable of responding to changes in policy and management style and generally supporting the management needs of DoD leadership.
2. The PPB system has no deficiencies so severe that it should be considered the primary reason for changing the fundamental organizational relationships in DoD.
3. DoD resource allocation is currently hampered by ineffective strategic planning; accordingly, the strategic planning process in DoD should be strengthened (7:526-527).

*The content of this chapter is derived from data presented in Chapter 7 of the Senate Armed Services Committee Report, Defense Organization: The Need for Change.

The fourth conclusion states "Both OSD and OJCS have important roles to play in DoD strategic planning; accordingly, efforts should be made to strengthen the strategic planning capabilities of both organizations" (7:527). Seven recommendations follow this conclusion and each of these will be analyzed independently in the succeeding paragraph.

First, OSD's predominant focus on resource decisions should be diminished. The foundation of this recommendation is a reorganization of OSD into mission-oriented offices that would streamline the process and produce a less resource-oriented focus. The report also recommends the creation of an executive committee of the DRB which would be the principal forum for strategic planning decisions. The proposal is for a 12 member committee which would include the service secretaries, the Joint Military Advisory Council (made up of CJCS and a four-star officer other than the service chief from each service) and 4 mission oriented Under/Assistant Secretaries of Defense (7:188). This recommendation would eliminate the "future orientation" which exists within the current DRB. Next, recommendations to appoint senior OSD officials with strong strategic planning skills and interests and to create an Assistant Secretary of Defense for Strategic Planning are offered as an attempt to place

more emphasis on the strategic planning process and insulate strategic planners from excessive outside demands on their time. A recommendation to expand the strategic planning process into mission-oriented offices was also made and finally, a recommendation was offered to use an expanded net assessment in the OJCS in order to assure that the best alternatives are presented in the strategic planning process.

The fifth conclusion was that "There is an insufficient relationship between strategic planning and fiscal constraints" (7:527). This conclusion carried two recommendations with it which both focused on the JSPD. The first required this planning document to reflect fiscal constraints and the second suggested that the JSPD should be prepared after the DG in order to include and base the JSPD on the guidance which is a part of the DG. The major benefit of this proposal would be to provide a more realistic document to compare the service POMs against in the preparation of the JPAM, and it would allow analysis of programming which would be consistent with policy.

The sixth conclusion focuses on realistic fiscal guidance and states "The absence of realistic fiscal guidance results in a loss of much of the value of the PPBS product and undermines confidence in DOD's resource

allocation process" (7:528). Specific recommendations under this conclusion are to provide the defense budget earlier for Presidential review and to require DoD to make a mid-course correction after the First Concurrent Congressional Budget Resolution or similar congressional intent. These recommendations both support realism in fiscal guidance. By submitting the budget early for Presidential review, conceptually, time would exist to make changes if the President should choose to redefine his budget guidance. The mid-course correction concept is aimed at out-year fiscal projections and would serve to eliminate the "bowwave" problem which was previously discussed in Chapter III.

The next two conclusions are as follows:

7. The PPB System fails to emphasize the output side of the defense program.

8. The JCS system is unable to make meaningful programmatic inputs (7:528).

Although neither of these conclusions carried a recommendation with them in the chapter on PPBS, two recommendations from the chapter on Unified and Specified Commands suggested the capabilities of the Joint Staff be strengthened to do resource analysis and that the OSD should have mission-oriented offices to represent the unified commanders on resource allocation issues.

The ninth conclusion states "The PPB System gives

insufficient attention to execution oversight and control" (7:528). It carries with it two recommendations which address this concern. First, a suggestion to include a controlling phase as part of the PPBS is made to follow-up once the budget is completed by the current process. Second, an accounting or management information system needs to be created in order to facilitate this proposed control phase of the PPBS. The report reasons that "it does not appear logical to conduct a structured, 15 month resource allocation process and then place limited attention on what actually happens" (7:524).

The final conclusion is that "The PPBS cycle is too long, complex, and unstable" (7:528). It also makes two recommendations which suggest less frequent publication of major strategic planning documents and a merger of the programming and budgeting phases of the PPBS. The report accuses the Pentagon of expending thousands of hours on paperwork to support the PPBS. The authors contend that much of this paperwork is meaningless and repetitive and read by very few. The recommendation emphasizes the two-year planning cycle which was initiated with the DG in 1985 and suggests that staff assets would be available for more productive thinking as a result of writing less. The programming and budgeting phases are viewed as repetitions of the same task which if

merged could save time and eliminate some complexities.

Overall, these conclusions and recommendations focus on OSD organizational changes and PPBS procedural changes. Little attention is placed on the role of the unified commander in the process even though considerable concern over his lack of participation was previously addressed in the section on problems with the PPBS. The role of the CINC in the PPBS has undergone considerable change since Secretary Carlucci issued his memorandum of changes in 1981. Consequently, very few changes in the way the unified commander operates would be required if these recommendations were implemented. An assessment of the CINC's role will be made in the next chapter.

CHAPTER V

IMPACT OF RECOMMENDATIONS TO CHANGE THE PPBS ON THE UNIFIED COMMANDER

An analysis of the recommendations contained in the Senate Staff Report on DoD organization indicates that relatively little change would be required by the unified commands to implement the proposed recommendations. This result is in line with an assessment made by the Hudson Institute on the House's version of DoD reorganization, House Resolution 3718, which proposes change within the JCS. The Hudson report concludes:

The issue of CINC input to the national level planning process is of concern to the committee. While additional participation in resource planning is considered infeasible in light of CINC operational responsibilities, current support through the Service-component chain of command and further contributions to strategic and policy planning should be explored. A steady flow of information and opinion should be encouraged between the Secretary of Defense and the combatant commanders (9:37).

The senate report emphasizes change within both OSD and OJCS, however does not suggest organizational change within the unified command. The unified CINCs' concerns over lack of ability to influence the resource allocation process are recognized; however, solutions to solving this problem are procedural, not organizational. During the past five years, and particularly as a result

of the 1984 changes implemented by Secretary Taft, the unified commander has had stronger input to the PPBS than he has ever had before. The procedural changes implemented during preparation of the FY 87-91 POMs have again been exercised during the early preparations of the FY 88-92 service POMs, and according to a JCS Strategic Plans and Resource Analysis Agency spokesman, are much improved because of lessons learned the first time through the cycle in 1985 (10).

All unified commanders have charged staff offices within their J-5 to monitor resource allocation progress and to make the necessary inputs as required to participate in the resource allocation process. As a result of the Taft memorandum, increased emphasis on CINC participation has caused service staffs to coordinate much more closely with the unified command PPBS staffs and to solicit resource allocation requirements early in the planning cycle and frequently throughout POM development. This interaction has resulted in an increased understanding of both CINC needs by services and the PPB System by the unified command staff.

All things considered, the CINC's role in PPBS has been considerably enhanced and little attention to his participation is justified in the staff report. Changes in OSD and OJCS to foster mission oriented organizations

would further enhance the CINC's requirements as he would then have a spokesman which is not within the system as it is organized today. If OSD and OJCS organizational changes are implemented to increase both strategic planning effectiveness as well as the resource allocation process, increased demands on the unified command staff would most probably occur due to a change in focus by the organizational hierarchy of both OSD and JCS.

Additionally, the timing of review and comment phases by the unified staffs would change for the DG, JSPD, and Issue Paper cycle, however the detailed staff efforts involved should continue essentially unchanged.

CHAPTER VI

CONCLUSIONS

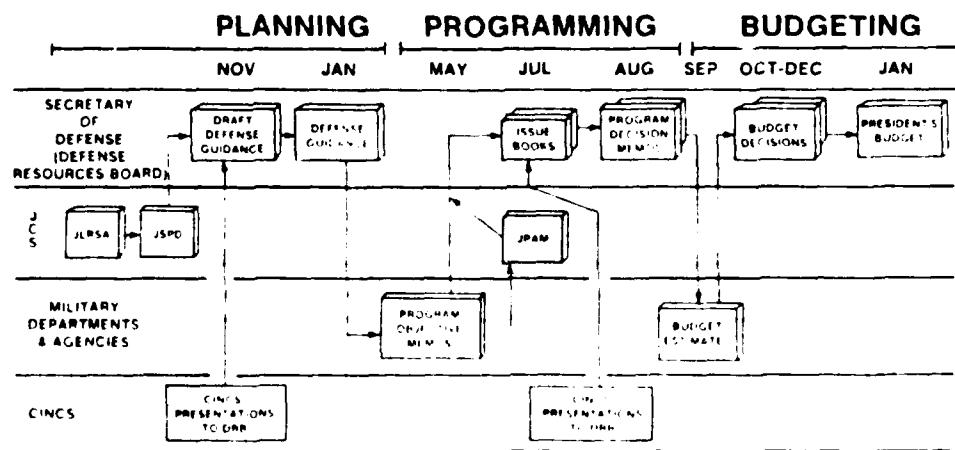
Short of actually allocating resources to the unified commander, the role which he plays in the resource allocation process has changed considerably since 1981. The Staff Report to the Senate Armed Services Committee, Defense Organization: The Need for Change, proposes 14 recommendations for change in the planning, programming and budgeting chapter however none of these will have a direct impact on the unified commander. Additionally three recommendations in the section on unified and specified commands will also have no direct impact. Each of these recommendations will improve the unified commander's ability to participate in the PPBS process, but none will cause him to reorganize his staff or to drastically implement new procedures. These recommendations allow the unified CINC to attend to his primary war-fighting responsibilities and prevents a concern of Senator Barry Goldwater, co-sponsor of the Senate Report. Goldwater says "..., but I am concerned that the quest for management of resources is diverting some of our best talent away from their primary responsibilities of planning and preparing for war" (11:30). Senator Sam Nunn, the other co-sponsor of the report suggests that "...the primary thrust of our effort

will be to give the people out in the field more authority to call the shots before they go to war, so that we can fight better if we go to war" (11:36).

The report does just that. It proposes reorganization of the OSD to provide a mission orientation, it places increased emphasis on strategic planning while it deemphasizes the focus on resource decisions. It requires that fiscal reality be considered in the strategic planning process and that a sense of fiscal reality continue throughout the programming phase. It recommends that a control phase be added and suggests that OSD, the Joint Staff and the Services all increase their communication with, and representation of, the unified commanders within the resource allocation process. If all of these recommendations are adopted, the result should be a significant increase in unified commander representation in the PPBS process with little or no change required by his staff.

APPENDIX I
CALENDAR OF MAJOR PPBS EVENTS (7:489)

DOD PPBS



JSPD: JOINT STRATEGIC PLANNING DOCUMENT
JPAM: JOINT PROGRAM ASSESSMENT MEMORANDUM
JLSA: JOINT LONG RANGE STRATEGIC APPROVAL

APPENDIX 2 (3:2)

FY 88-92 DEFENSE GUIDANCE DEVELOPMENT TIMETABLE

<u>Activity</u>	<u>Date Completed</u>
Commanders of U & S Commands and DRB members provide their personal recommendations to SECDEF for major changes to Sections I, II and III of the FY 87-91 DG	24 May 85
"For Comment" Draft Sections I-III Published	22 Jul 85
Comments on "For Comment" Draft Sections I-III provided to SECDEF	9 Aug 85
DRB meets with Commanders of U & S Commands on Draft Sections I-III	o/a 4 Sep 85
Commanders of U & S Commands and DRB Members provide their personal recommendations to SECDEF for major changes to Sections IV-V of the FY 87-91 DG	4 Sep 85
"For Comment" Draft Sections IV-V Published	19 Oct 85
Comments on "For Comment" Draft Sections IV-V provided for SECDEF	31 Oct 85
DRB meets with commanders of U & S Commands on Draft Sections IV-V	o/a 8 Nov 85
FY 88-92 DG Published	31 Dec 85
Fiscal Guidance Published	15 Mar 86

LIST OF REFERENCES

1. DoD Directive 7045.14. The Planning, Programming, and Budgeting System (PPBS), May 22, 1984.
2. Memorandum, Deputy Secretary of Defense William H. Taft, IV, For Members of the Defense Resources Board and the Commanders-in-Chief of the Unified and Specified Commands, (DRB 85-5), Subject: The Planning Phase of the DoD PPB System, FY 1988-92, 5 Apr 85.
3. Message, JCS to Unified and Specified Command J-5's. Subject: The Planning Phase of the DoD PPB System FY 88-92, J-5 152244Z, April 1985.
4. Major James J. Bumgardner, Improving the Unified Commander's Role in PPBS Programming, Maxwell AFB, Ala: Air Command and Staff College, 1984.
5. Memorandum, Deputy Secretary of Defense, William H. Taft, IV, For Members of the Defense Resources Board and the Commanders-in-Chief of the Unified and Specified Commands, Subject: Enhancement of the CINCs Role in the PPBS, 14 November 1984.
6. The Air Force Budget Process, Air Force Pamphlet 172-4, (Washington D.C.: Department of the Air Force, 10 October 1984).
7. Defense Organization: The Need for Change, Staff Report to the Committee on Armed Services United States Senate. (Washington D.C.: U.S. Government Printing Office, 16 October 1985).
8. Report to the Secretary of Defense on the National Military Command Structure, (Washington D.C.: Office of the Secretary of Defense, July 1978), Richard C. Steadman.
9. A Report by the Committee on Civilian-Military Relationships, An Analysis of Proposed Joint Chiefs of Staff Reorganization, (Indianapolis, Indiana, Hudson Institute Inc., September 17, 1984).
10. Interview, Colonel Gary Van Valen, JCS Strategic Plans and Resource Analysis Agency, 19 November 1985.

11. "Budget Dominance: The Quest for Dollars", Armed Forces Journal International, October, 1985, pp. 28-33.

GLOSSARY

CINC	Commander in Chief
CJCS	Chairman, Joint Chiefs of Staff
DEPSECDEF	Deputy Secretary of Defense
DG	Defense Guidance
DOD	Department of Defense
DRB	Defense Resources Board
FY	Fiscal Year
JCS	Joint Chiefs of Staff
JPAM	Joint Program Assessment Memorandum
JSPD	Joint Strategic Planning Document
MAJCOM	Major Command
MILDEP	Military Department
OJCS	Office of the Joint Chiefs of Staff
OSD	Office of Secretary of Defense
PDM	Program Decision Memorandum
POM	Program Objective Memorandum
PPBS	Planning, Programming and Budgeting System
SECDEF	Secretary of Defense

END

4 - 87

DTIC